

NOTICE

TREASURY-TAXATION DIVISION OF TAXATION

Notice of Commuter Transportation Benefit Limits Inflation Adjustments

Take notice that the adjusted limit for employer-provided commuter transportation benefits excludable by an employee for New Jersey gross income tax purposes pursuant to N.J.S.A. 54A:6-23 is \$1,265 for calendar year 2004.

Pursuant to N.J.S.A. 54A:7-2 and N.J.A.C. 18:35-7.7, employers shall include in an employee's gross wages on a W-2 or other written information statement the amount of commuter transportation benefits paid in 2004 exceeding \$1,265. The threshold amounts for particular years are as follows:

<u>YEAR</u>	<u>Gross Income Tax</u>
1993	\$720
1994	\$735
1995	\$735
1996	\$755
1997	\$1,000
1998	\$1,105
1999	\$1,120
2000	\$1,145
2001	\$1,175
2002	\$1,200
2003	\$1,240
2004	\$1,265

Pursuant to N.J.S.A. 27:26A-15, an employer that is a taxpayer subject to the Corporation Business Tax Act, Savings Institution Tax Act (repealed for privilege periods beginning on and after January 1, 2002), Fire Insurance Tax, Marine Insurance Tax, Insurance Premiums Tax, Public Utility Franchise Tax, Public Utilities Gross Receipts Tax and Public Utility Excise Tax, or is a taxpayer in respect of a distributive share of partnership income under the New Jersey Gross Income Tax Act, and which provides commuter transportation benefits as defined in N.J.S.A. 27:26A-3, is allowed a credit or benefit against the applicable tax (or income in the case of the gross income tax).

<u>YEAR</u>	<u>Business Taxes Set Forth Above</u>	<u>Gross Income Tax</u>
	<u>Credit</u>	<u>Reduction of Partnership Income</u>
1994	5% of cost not to exceed \$36 per employee participating	71.5% of cost not to exceed \$515 per employee participating
1995	10% of cost not to exceed \$72 per employee participating	143% of cost not to exceed \$1030 per employee participating
1996	10% of cost not to exceed \$73 per employee participating	143% of cost not to exceed \$1056 per employee participating
1997	10% of cost not to exceed \$100 per employee participating	143% of cost not to exceed \$1,429 per employee participating
1998	10% of cost not to exceed \$108 per employee participating	143% of cost not to exceed \$1,543 per employee participating
1999	10% of cost not to exceed \$109 per employee participating	143% of cost not to exceed \$1,557 per employee participating

2000	10% of cost not to exceed \$115 per employee participating	143% of cost not to exceed \$1,642 per employee participating
2001	10% of cost not to exceed \$118 per employee participating	143% of cost not to exceed \$1,685 per employee participating
2002	10% of cost not to exceed \$120 per employee participating	157% of cost not to exceed \$1,884 per employee participating
2003	10% of cost not to exceed \$124 per employee participating	157% of cost not to exceed \$1,947 per employee participating
2004	10% of cost not to exceed \$127 per employee participating	157% of cost not to exceed \$1,994 per employee participating